



Community Development Block Grant Neighborhood Stabilization Program2

American Recovery & Reinvestment Act 2009

City of Atlanta
Department of Planning & Community Development
Bureau of Housing
June 30, 2009



NSP2 Overview

NSP2 funds will be awarded through competition. Applicants will compete for up to \$1.93 billion of NSP2 funds to carry out neighborhood stabilization. The NSP2 eligible activities include:

1. Establish funding mechanisms for the purchase and redevelopment of foreclosed homes including soft-second, loan loss reserves, and shared equity loans for low- and moderate-income homebuyers.
2. Purchase and rehabilitate foreclosed properties in order to sell, rent, or redevelop such homes and properties.
3. Establish or enhance the capacity of land banks to assist in property redevelopment efforts.
4. Demolish blighted structures.
5. Redevelop demolished or vacant property.
6. Administration & Planning



NSP1 vs. NSP2

NSP1

- Entitlement Communities received direct allocation
- Area of Greatest Need based on Abandonment Risk Score 1-10
- 15% Minimum Purchase Price Discount
- Rehabilitation of foreclosed or abandoned property
- 18 months to commit funds
- 4 years to expend 100% of funds

NSP2

- National Competition amongst local, state and non-profits
- Area of Greatest Need based on Vacancy & Foreclosure Risk 1-20
- 1% Minimum Purchase Price Discount
- Rehabilitation of foreclosed, abandoned or vacant property
- 2 years to expend 50% of funds
- 3 years to expend 100% of funds



NSP1 vs. NSP2

NSP1

- Redevelopment of non-residential properties ok
- Green/Energy Efficiency Recommended
- Program Income must be returned to U. S. Treasury after July 2013
- Davis Bacon follows CDBG guidelines
- No Demolition Cap

NSP2

- Redevelopment of residential properties only
- Green/Energy Efficiency Required
- Program Income can be retained
- Davis Bacon required for every unit
- Maximum 10% of allocation for Demolition



NSP2 Threshold Requirements

- Request no less than \$5 million
- Effect a minimum of 100 abandoned or foreclosed homes
- Successfully completed 75 or more units between May 2007 –May 2009
- Geographic Area (Aggregate of census tracts scores must be greater than 18)
- Application must score 115 out of 150 to receive award



NSP2 Ranking Criteria

- Factor 1: Need/Extent of Problem
- Factor 2: Demonstrated Capacity of Applicant
- Factor 3: Soundness of Approach
- Factor 4: Leveraging of Other Funds or Removal of Substantial Negative Effects
- Factor 5: Energy Efficient Improvement & Sustainable Design
- Factor 6: Proposed NSP activities are part of or consistent with an established comprehensive, regional, or multi-jurisdictional plan.



City of Atlanta Consortium

City of Atlanta is forming a consortium with The Atlanta Development Authority, Atlanta Neighborhood Development Partnership, Inc. team (including the MaCallan Group and NorSouth Companies) and the Integral Development, LLC. The City of Atlanta will be the lead.



NSP2 Areas of Greatest Need

Target Areas were selected by assessing:

- Foreclosure Risk Score or Vacancy Risk Score
- Marketability of potential homes and properties for sale or rent
- Previous federal investment in area to support or be supported by NSP2 investment
- Ability to leverage additional funds or programs to support NSP investment

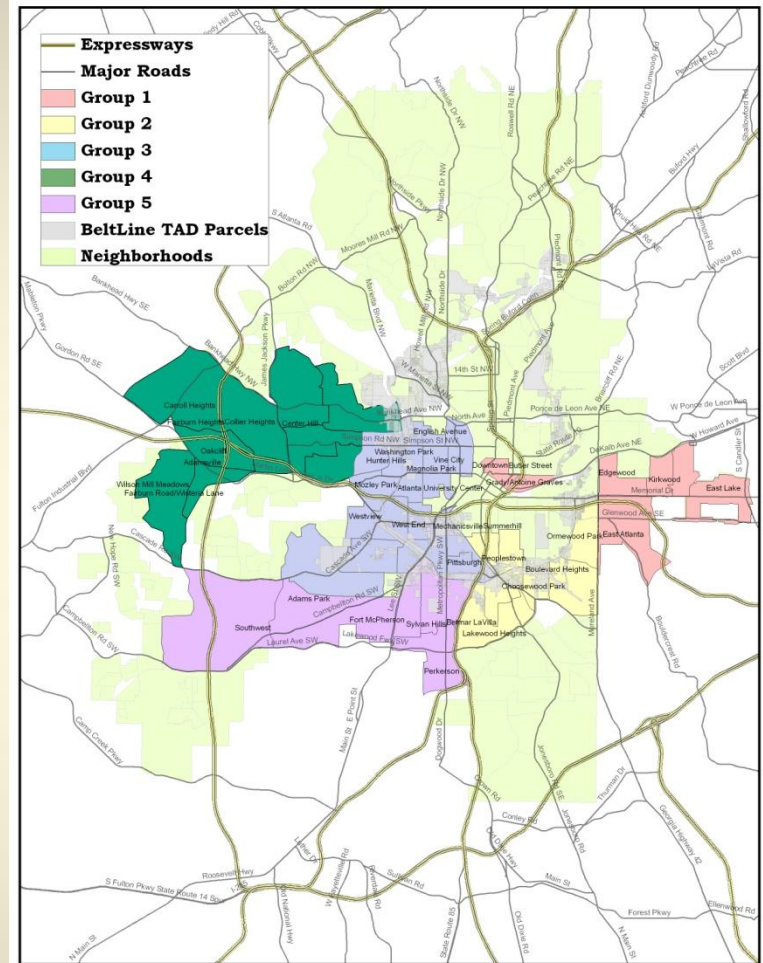
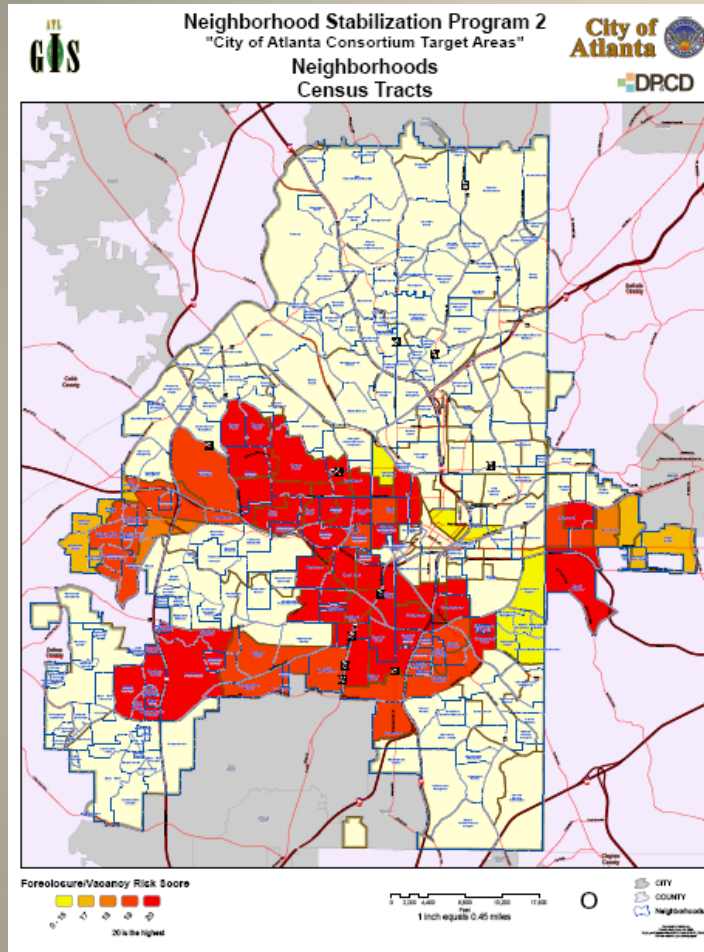


NSP2 Targeted Census Tracts

Group 1	Group 2	Group 3		Group 4	Group 5
27	52	8	41	78.05	65
33	55.01	22	42	78.06	66.01
205	55.02	23	57	78.07	66.02
206	56	24	58	78.08	75
207	64	25	60	82.01	76.01
208.01	67	26	61	83.01	76.02
208.02	69	38	62	83.02	77.01
209		39	63	85	
		40	84	86.01	



NSP2 Target Area Map



City of Atlanta Consortium Focus

- Single Family Homeownership
- Small Multifamily Rental
- Large Multifamily Rental
- Demolition of Blight to support NSP Development
- Land Banking for Future Development



NSP2 Proposed Number of Units

	0 - 50 % A M I	51 - 120 % A M I	T o t a l
Rental	280	450	730
Homeownership	51	230	281
Total	331	680	1,011



NSP2 Proposed Budget

A c t i v i t y	B u d g e t A l l o c a t i o n
Financing Mechanisms	\$2,000,000
Acquisition, Rehabilitation, Disposition	\$25,800,000
Land Banking	\$1,500,000
Demolition	\$2,000,000
Redevelopment	\$22,900,000
Planning & Administration	\$6,022,222
Total	\$60,222,222

- Approximately \$136million in non federal funds will be leveraged with NSP2.
- At least 25% (\$15,055,556) will be allocated to impact foreclosed units for household below 50% AMI.
- All program income generate will be recycled to produce additional NSP2 units.



City of Atlanta NSP2 Timeline

- NSP2 NOFA Released----- May 4, 2009
- COA Letter of Intent Due-----June 4, 2009
- NSP2 Public Hearing----- June 30, 2009
- Seek City Council Approval----- July 6, 2009
- Public Comments Due -----July 13, 2009
- NSP2 Application Due ----- July 17, 2009
- HUD Announcement -----Dec 2009
- HUD Grant Award -----Feb 2010
- Expend 50% of NSP2 Funds -----Feb 2012
- Expend 100% of NSP Funds -----Feb 2013

